|  |
| --- |
| THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF THE  **PROJECT RESOURCE CENTER**.   IT IS FOR GENERAL GUIDANCE PURPOSES ONLY AND SHOULD NOT BE USED AS A SUBSTITUTE  FOR SPECIFIC TECHNICAL, PROCUREMENT OR LEGAL ADVICE FOR A PROJECT |

# TERMS OF REFERENCE

# DESIGN OF MICRO-HYDRO FUNDING FACILITY AND COMMUNITY MOBILIZATION SUPPORT

## BACKGROUND

*<Brief overview describing the: potential beneficiaries of electrification using small decentralized micro hydro systems; financing issues; related programs of the Government, and the objectives of the [Donor] project of which micro hydro development is a component.>*

## OBJECTIVE

The objective of this assignment is to assist the Project Management Unit (PMU) at the national and provincial levels to design the institutional arrangements for a pilot funding facility for micro hydro projects, and the needed provincial level support to the communities to enable the pilot program to proceed.

## SCOPE OF WORK

Task 1: Inception Report

The consultants will make an initial mission and prepare an inception report which presents in detail the issues and options and makes recommendations for implementing a pilot micro hydro funding facility and community mobilization/support in several provinces. During the mission, the consultants will visit at least two provinces and several potential communities, and conduct participatory workshops to discuss the proposed arrangements. This will be followed by a participatory workshop with government agencies and main stakeholders in [City]. The results of the consultations will be incorporated in the inception report.

The inception report will identify the main issues involved in setting up the facility based on experiences with rural energy and social funds in and the country and elsewhere will identify the likely options that would be investigated to address these issues. For example, should the facility be located at national or provincial level? What technical assistance is needed to support the operation of the facility, build up implementation capacity, mobilize the communities, encourage productive uses of electricity, and support the operation of the community micro-hydro grids? How will this support be organized and paid for? What level of capital cost subsidy is appropriate? What criteria will be used to determine eligibility for subsidy? What criteria will be used to select pilot communities? What will an application look like and what supporting information must be supplied? Who will appraise and who will select? How will funds flow from the fund to the community? How will funds flow from the [Donor] to the Government and to the facility? What will be the role of the national PMU? Will there be staff dedicated to the facility or will they be part of a provincial PMU? How will community mobilization be conducted? How will support be provided to communities to ensure sustainability? How will productive uses be encouraged? Other issues will be identified by the consultant. The inception report must be delivered within 6 weeks of the start of the contract.

The inception report will provide a detailed outline of the work needed to prepare the final report, indicating the tasks that would be done fully or partly by local consultants, and providing an estimate of the total cost of local consultant participation. It will also include an outline for the final report that has been agreed between the consultants, the PMU and the [Donor].

Task 2: Data Gathering and Analysis by International and Local Consultants

Based on TORs, schedule and deliverables agreed as a result of the inception report, data gathering and analytical work dealing with the above questions will be carried out.

Task 3: Final Report on Micro hydro Facility and Needed Technical Assistance

The international consultants will make a subsequent mission to the country in order to revise and complete the report, and to hold a workshop with the PMU, other government agencies and stakeholders to present and discuss the results. By the end of the mission, the main contents of the report will have been agreed among [Ministry in charge of Industry], other government agencies, the PMU and the project team at the [Donor]. The contents of the report will include proposals for all institutional requirements.

The final report shall present a comprehensive plan for the implementation of the pilot micro hydro fund facility, and an operation manual for the facility covering all issues listed above and additional issues that arise in discussions with the PMU, [Ministry in charge of Industry], [Donor] and other stakeholders:

* Selection criteria, appraisal and selection process, proposed application forms and outline for business plan/feasibility study to be presented to the fund by the community.
* Organization, staffing, TORs for staff, operating budgets and operating procedures for the fund, including procedures for management, financial management, disbursement of funds and monitoring, evaluation and reporting of results; the proposed arrangement should comply with Government and [Donor] requirements.
* Organization, staffing, TORs, operating budgets for technical assistance staff, and/or TORs and budgets for contractors/NGOs to supply community mobilization and support services, including identifying target communities, providing training and assisting them to prepare simple business plans, providing grant support for feasibility studies, promoting productive uses, and providing operation and maintenance support.
* Coverage of all issues related to [Donor] safeguards requirements with respect to environment, resettlement, other social issues such as minority peoples, and any other safeguard policies that apply. It will be the responsibility of the consultant to identify these safeguards issues. The consultant will work with [Donor] staff in the country office with respect to all of these issues.
* The operation manual should include but not be limited to the following content:
* Application procedure, including eligibility criteria, sample application and supporting documentation required
* Approval procedure including appraisal process and criteria
* Community mobilization and support
* Planning and budgeting
* Engineering, bidding and contracting, including model bidding document
* Implementation and supervision
* Organizational and staffing/contracting arrangements, budgets, TORs for staff or contractors
* Policy framework for ethnic minority
* Environmental assessment and compliance procedure
* Financial Management
* Auditing requirements and process

## INPUTS TO CONSULTANT WORK

The following inputs will be provided to the consultant: *< List of reports and other documents prepared by the [Donor] and the Government that are directly relevant to the assignment>*

## DELIVERABLES AND SCHEDULE

The following deliverables and schedule shall apply to this assignment:

* Assignment begins: <date>
* Outline of inception report agreed with PMU and [Donor]: <15 days after>
* Inception report delivered, identifying key issues and options, recommended approaches, results of consultations with communities, next steps and specific tasks for local and international consultants, and outline of final report agreed with the [Donor]: <21 days after>
* Draft Final Report Delivered, containing comprehensive plan for implementing the micro hydro funding facility , and an operation manual: <1.5 months after>
* [Donor] and PMU comments: <2 weeks after>
* Final Report delivered: <2 weeks after>

## QUALIFICATIONS

The consultants for this assignment shall consist of an international consulting team and local sub-consultants. The international consultants for this assignment shall possess the following knowledge and capabilities:

* Experience in performing similar work of preparing a renewable or rural energy fund or credit and associated technical assistance support for an international agency, preferably the [Donor]
* Experience in managing implementation of such an operation
* Experience with [Donor] safeguard procedures
* Experience with off grid rural electrification, preferably using micro-hydro facilities
* Knowledge of the energy sector in the country an asset.

The local sub-consultants required for this assignment shall include individuals with the following knowledge and capabilities:

* Experience with legal, financial and institutional requirements for setting up a rural infrastructure fund at national and provincial level in the country
* Experience in community micro-hydro development in the country
* Experience with rural electrification policies in the country
* Experience with mobilization of communities for social or economic development projects in remote areas of the country.